

# **Promoting Better Practice Program**

## **REVIEW REPORT**

### **TAMWORTH REGIONAL COUNCIL**

**March 2013**



**Premier & Cabinet**  
**Division of Local Government**

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## **EXECUTIVE SUMMARY**

### **About the Review**

A Promoting Better Practice Review of Tamworth Regional Council (the Council) was undertaken in May 2012 on behalf of the Division of Local Government, Department of Premier and Cabinet (the Division), as part of its Promoting Better Practice Program. The Program aims to assist in strengthening the local government sector by assessing performance and promoting continuous improvement. The reviews are designed to act as a 'health check' examining a number of areas:

- Strategic planning and reporting
- Governance
- Land-use planning and regulatory functions
- Financial and asset management
- Community and consultation
- Workforce relations.

This report identifies where better practice exists, to both acknowledge the strengths of the Council and to contribute to improvement in the Local Government sector. It also discusses key areas of the Council's activity that require improvement or development to meet its legislative obligations as well as meet community expectations. There are occasions where a particular element requires further development, and this has been commented upon, but the overall practice is considered to be an example of better practice.

### **The Tamworth Regional local government area**

Tamworth Regional Council was established in March 2004 with the amalgamation of the city of Tamworth with the northern shires of Barraba, Manilla, Nundle and Parry. Tamworth is a major regional city located in the New England Region of the state. The 2011 census recorded an overall population of 56,292.

A strong health care and social assistance sector (14.2%), retail trade (11.4%), manufacturing (9.3%), education and training (8.6%), and construction (7.5%) contribute to the local economy. The main areas of employment include school

education (5.9%), hospitals (4.5%), sheep, beef cattle and grain farming (4.5%), cafes, restaurants and takeaway food services (4.2%), and meat and meat product manufacturing (3.5%). The median weekly income for people aged 15 years and over is \$515, compared with the national average of \$577.

### **About Tamworth Regional Council**

The Council is responsible for administering an area covering 9,653 square kilometres. It is classified as a medium Regional City (Group 4 Council) by the Division, and in 2011/12 the Council spent \$117.5 million.

It is led by an elected body of nine councillors (including the Mayor), and is served by 506 full-time equivalent staff.

### **Tamworth Regional Council – Summary of key findings**

At the time of the review, Tamworth Regional Council presented a cohesive management team with a broad base of experience and a progressive outcome-based culture. Through the recent completion of the Community Strategic Plan it has demonstrated the ability to connect with the community and to identify the common themes that have been identified through the community engagement process.

During the observation of a Council meeting, it was evident that a number of councillors showed a willingness to provide strategic input into decision-making, and that there appears to be a good relationship with the Executive team and staff. A number of better practices were identified within the governance, community and workforce relations areas.

#### *Community strategic planning*

As the time of the review was prior to the final date required for the submission of the Community Strategic Plan there was no opportunity to undertake a final review of the draft document. The Division will undertake a detailed review of all of the Council's plans prepared under the Integrated Planning and Reporting framework, and will communicate these findings directly to the Council at a later date.

### Governance

The Council has a generally sound governance framework with most expected systems and processes currently in place. The decision-making processes of the Council and the Executive appeared mature and constructive. The Council has developed a comprehensive base of policies and procedures necessary for a sound governance framework. The witnessed Council meeting was well chaired with a large public gallery. The experience of councillors and the Mayor was evident, and the democratic right of people to communicate to the Council their concerns was upheld by the Mayor in a spirit of cooperation.

The review has identified some areas of governance that the Council needs to consider as a priority. These include:

- the development of a fraud and corruption-prevention policy and procedure
- undertaking a follow-up systematic fraud assessment
- a bi-annual risk assessment of procurement and disposal practices
- preparation of a Legislative and Regulatory Register
- reviewing the Complaints Handling policy
- arranging training for all staff in complaints handling.

### Land-use planning and other regulatory functions

The Council has completed the new Local Environmental Plan (LEP). The Tamworth Regional Development Control Plan 2010, and the Taminda (Industrial area) Revitalisation and Economic Strategy are perceived as examples of Best Practice. In addition, the Tamworth Regional Affordable Housing Strategy, including interagency government liaison, is seen as a noteworthy achievement given the local accommodation pressures and social unrest evident at that time in the wider Tamworth area.

The review also identified some areas of planning where there is a need for a comprehensive Development Assessment Manual to provide an overview of all policies and procedures for staff and managers, and to complete the ICAC development assessment internal audit tool to benchmark the Councils performance. The use of Contribution Plans and Planning Agreements to assist in financial support

to the Council for new development by external parties should also be considered by the Council after the completion of the current comprehensive consultant's review.

In terms of regulatory functions, the reviewer noted the need for the formal recording of graffiti incidents in a Graffiti register, the preparation of an Enforcement and Prosecution Policy, and the development of a Regional Parking Policy. Finally, there is a need to develop a compliance program for the Swimming Pools Act, as well as a procedure to investigate complaints about breaches of this Act.

### *Financial and asset management*

The Independent Pricing and Regulatory Tribunal (IPART) announced on 4 June 2012 approval for the Council to increase its general rate income by 14.6% in 2012/13, to provide funding for an identified shortfall in the annual maintenance of the Council's infrastructure assets. This includes renewal and ongoing maintenance of assets such as buildings, roads, bridges, parks and facilities (swimming pools). The approved increase includes the 3.6% rate cap available to all NSW councils and an additional 11% ordinary rate increase. The Council had applied for a total increase of 20.6% (17% above the rate cap). This result will allow the Council to address earlier poor financial result in the General Fund, and its dependence on business operations in water, sewerage, waste management and Manella Lodge operations to supplement the final operating result.

The reviewer identified the need to prepare policy and procedures in the areas of Plant and Vehicle Replacement, Borrowing and Use of Loans, and Pensioner Rates and Charges. In terms of Asset Management it was noted that the Council is moving to populate its asset management plans with additional asset data to further improve the effectiveness of these plans. The Asset Management Plans are an important basis for infrastructure planning, and are being populated with valuable data that will inform the Council as it plans and monitors capital works and recurrent expenditure budgets.

### *Community engagement and social planning*

The Council is involved in a wide range of community programs. Senior managers in the Directorate who were interviewed demonstrated a high commitment to their areas

of responsibility. The reviewer noted the progress in the Central Northern library service's (CNLS) remote access facility, and the promotion of the Council to the Community Relations Commission in 2010 (as an active partner to host the Commission's annual rural visit to Tamworth). In the area of Economic Development, it is apparent that the Council is advanced in developing a new Economic Development Plan, although this has been deferred pending the appointment of a new Manager to initiate and implement a new approach to economic development.

### Workforce management

This area is considered to be well-managed and the close reporting of the Manager to the General Manager's office provides high-level liaison for critical staffing issues. The main issue that was identified relating to potentially high levels of sick leave and overtime is already under review by the Executive Management Team and no further recommendation is considered necessary.

### **Tamworth Regional Council– Next steps**

The reviewer has made 19 recommendations to guide improvement in significant areas. These are set out within the draft action plan at the back of this report (see Part V). The action plan is to be completed by the Council. Along with the Council's comments on the draft report, the completed action plan will be reproduced in the final report.

The final report is to be adopted by the Council to guide the implementation and monitoring of the recommendations in this report. Upon issue of the final report, the Division will advise whether it intends to monitor the implementation of the recommendations of the report or leave this responsibility with the elected body and senior management of the Council.

## **PART I. BACKGROUND**

### **1 ABOUT THE REVIEW**

Reviews of councils are undertaken by the Division of Local Government as part of its Promoting Better Practice Program.

#### **Program objectives**

By promoting better practices, the Division aims to:

- work with councils toward strengthening the local government sector by assessing performance and promoting a culture of continuous improvement with an emphasis on:
  - strategic community planning
  - efficient and effective service delivery
  - quality governance and ethical conduct
  - financial sustainability
- work cooperatively with councils to promote strong relationships within the sector
- provide councils with feedback on areas requiring improvement or further development, and assist them in developing solutions
- identify trends and issues arising from reviews to support policy and legislative changes for the local government sector
- encourage and facilitate innovation by responding creatively to trends and issues.

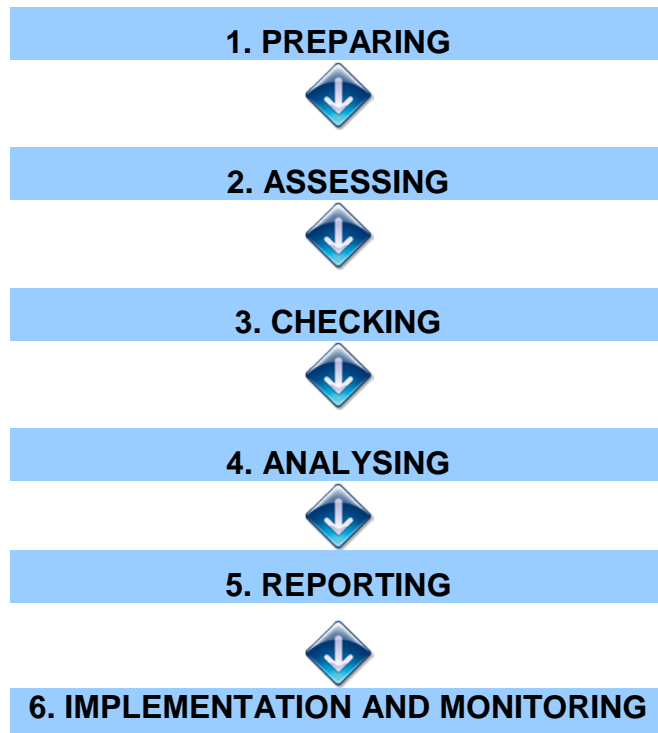
#### **Review Process**

The reviews are designed to act as a 'health check', giving confidence about what is being done well and helping to focus attention on key priorities. They are conducted by a review team from, or on behalf of, the Division of Local Government.

A risk-based approach is taken, targeting resources to areas identified as core matters for examination, and those matters considered to be important having regard to the local circumstances of an individual council. In other words, a review does not examine every aspect of a council's operations.



A Promoting Better Practice review essentially involves six key steps, as follows:



1. Preparing: This involves the completion of a comprehensive self-assessment checklist by the council and the examination of a range of documents by the reviewer/s.
2. Assessing: The reviewer/s examine local circumstances in order to understand the pressures on the council and how the council has sought to manage that environment.
3. Checking: The reviewer/s visit the council to ‘reality check’ what they find in the material received from the council. Activities usually include meeting with senior officers, talking with individual staff and councillors, observing a council or committee meeting, and viewing systems or processes in action. Determining whether the council has frameworks in place to monitor its own performance is also important.
4. Analysing: Post-visit, the reviewer/s examine a range of information obtained from the council to determine whether this material is in line with applicable legislation, policy, guidelines and available good practice indicators.
5. Reporting: The scope of the review report is limited to identifying areas of better practice or practice that is otherwise noteworthy, and areas in need of further development, as defined below:

<p><b>Better practice or otherwise noteworthy</b></p>	<ul style="list-style-type: none"> <li>• Beyond or above minimum compliance requirements and good practice indicators</li> <li>• Innovative and/or very effective</li> <li>• Contributes to continuous improvement within the sector.</li> </ul>
<p><b>In need of further development</b></p>	<ul style="list-style-type: none"> <li>• Does not satisfactorily meet minimum compliance and good practice indicators, and may impact negatively on the council's operations</li> <li>• Significant improvement initiatives that are in progress and which need to be continued.</li> </ul>

The reviewer/s prepare a draft report that includes recommendations which are set out within the draft action plan at the back of the report (see Part V). The council is asked to provide comments on the draft report and complete the action plan. These will be reproduced in the final report.

6. *Implementation and monitoring:* The final report is to be adopted by the council to guide the implementation and monitoring of the recommendations in this report. Upon issue of the final report, the Division will advise whether it intends to monitor the implementation of the recommendations of the report or leave this responsibility with the elected body and senior management of the council.

The Council's overall performance is ranked according to policies, practices, systems and other means it has in place to:

- plan strategically
- govern its day-to-day operations
- undertake its planning and regulatory obligations
- manage its assets and finances
- engage the community
- recruit and retain its workforce.

A description of each of the rankings in relation to performance is provided below:

**Description of performance rankings**

PERFORMANCE RANKING	DESCRIPTION
Performing well	<ul style="list-style-type: none"> <li>• Meets all requirements to a good or high standard</li> <li>• Demonstrates elements of good/better practice.</li> </ul>
Satisfactory	<ul style="list-style-type: none"> <li>• Meets all or most requirements to an acceptable standard</li> <li>• Improvements have been identified by the Council and progress toward their rectification is evident.</li> </ul>
Requires action	<ul style="list-style-type: none"> <li>• A critical requirement has not been met</li> <li>• Significant improvement or further development is required in a particular area.</li> </ul>

**Tamworth Regional Council Review**

The reviewer for Tamworth Regional Council was Ian Melville, a consultant with IAB Services, who undertook the review on behalf of the Division. The on-site component of the review took place in May 2012. It involved a group interview with the General Manager, Directors and senior Managers, detailed meetings with four Directors and a cross-section of senior staff, observation of an ordinary Council meeting on 8 May 2012, a review of the Council's policies, and an inspection of major assets.

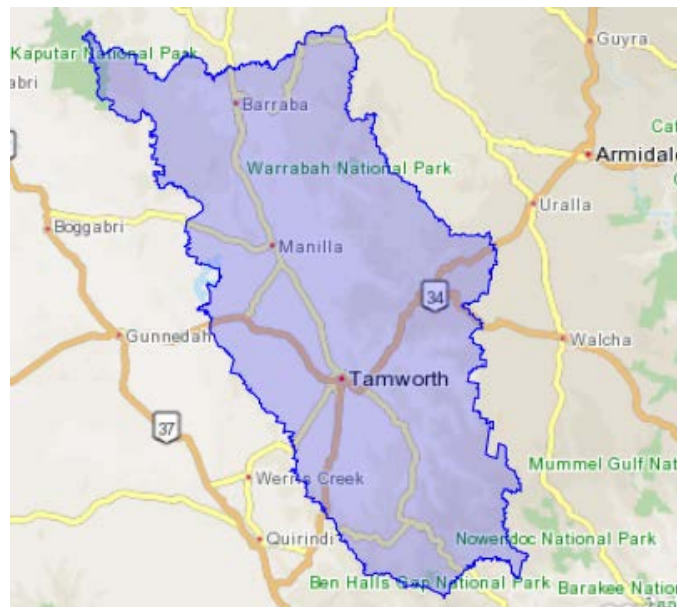
The reviewer would like to take this opportunity to thank those Tamworth Regional councillors and staff members who participated in the review and provided valuable assistance.

## 2 ABOUT THE COUNCIL AND THE AREA

### Location and Demographics

Tamworth Regional Council was established in March 2004 with the amalgamation of the city of Tamworth with the northern shires of Barraba, Manilla, Nundle and Parry. Tamworth is located on the west side of the Great Dividing Range on the banks of the Peel River, about 420 Kilometres from Sydney with an elevation of 400m. It is situated within the federal seat of New England and the NSW state seat of Tamworth. It acts as a hub for the Regional population, which includes the towns of Manilla, Barraba, Nundle and Kootingal as well as seventeen hamlets and villages. In 1818 the explorer John Oxley was the first to visit the Tamworth area, leading to the eventual settlement and growth within the area now known as Tamworth Regional Council local government area.

The total local government area covers 9,653 square kilometres. Seven councils, including Liverpool Plains, Gunnedah, Narrabri, Gwydir, Uralla, Walcha and Upper Hunter, adjoin the Tamworth Regional Council local government area.



*Figure 1 Tamworth Regional Council LGA*

The 2011 census recorded an overall population of 56,292. The original inhabitants of the Tamworth area were the Kamilaroi people, or Gamilaraay, who are from the

area between Tamworth and Goondiwindi, and west to Narrabri, Walgett and Lightning Ridge, in northern New South Wales.

A strong health care and social assistance sector (14.2%), retail trade (11.4%), manufacturing (9.3%), education and training (8.6%), and construction (7.5%) contribute to the local economy. The main areas of employment include school education (5.9%), hospitals (4.5%), sheep, beef cattle and grain farming (4.5%), cafes, restaurants and takeaway food services (4.2%), and meat and meat product manufacturing (3.5%). The median weekly income for people aged 15 years and over is \$515, compared with the national average of \$577.

The Council is responsible for the Tamworth Airport, six libraries, six swimming pools, three community centres and an art gallery. Tamworth Regional Entertainment and Conference Centre, the Capitol Theatre, and Tamworth Town Hall provide event space for a range of public entertainment. The Australian Equine and Livestock Events Centre is a world class facility, and the town is famous for the continuing success of the annual Tamworth Country Music Festival.

### Economic overview

Economic activity has centred on aviation, food processing, the equine industry, education and a strong retail presence. Tourism is a particularly successful industry for the Region. The Region boasts some of the richest agricultural country in the nation, with agriculture including beef, sheep, poultry, fish, summer and winter crops, cotton, dairying, eggs, fruit, vegetables and vineyards.

### Local Issues

The main challenges identified by staff, councillors and community responses which are priorities within the Community Strategic Plan include:

- financial sustainability and limited revenue sources
- service and infrastructure demands from a growing population
- an ageing population and competing demands for accommodation and council services

- retention of the unique characteristics, and the residents' needs of individual towns and villages, to reflect social and economic needs
- skilled workforce shortages
- population growth increasing demand for basic and advanced medical care
- long-term deterioration of both urban and rural roads that impacts on the infrastructure costs faced by the Council
- economic development to provide business opportunities within the private sector and local employment for residents who face long-term unemployment
- sustainable population growth to increase the local skill base and generate more services in an expanding economy.

### *The elected body*

The Council's elected body consists of a total of nine elected representatives or councillors. The Council election is 'undivided' (ie without geographically determined wards) which means that the electors in the local government area vote for all the councillors to form the Council. The Mayor is determined by a vote by councillors at the first meeting following the election.

### *Council staffing*

The Council employs 506 full-time equivalent staff. The organisation is divided into five directorates: Corporate and Governance, Environment and Planning, Regional Services, Commercial and Community Enterprises, and Water Enterprises. The General Manager has direct responsibility for, inter alia, Regional Leadership, Performance Management, Learning and Development, Workplace Reform, Governance and Financial Audit, and Industrial Relations.

## **PART II. PLANNING A SUSTAINABLE FUTURE**

This part of the review focussed on the Council's strategic intent and how it has involved its communities and other stakeholders in developing long-term strategic plans. The review assessed the clarity of the Council's strategic direction, whether its plans reflect a shared and realistic vision, and its overall approach to corporate planning. Monitoring and reporting progress to promote continuous improvement was also an integral consideration in regard to the Council's performance in this area.

### **3 STRATEGIC PLANNING AND REPORTING**

A planning and reporting framework for NSW local government has been introduced to improve local councils' long-term community planning and asset management, as well as to streamline reporting to the community.

The framework aims to improve the sustainability of local communities by encouraging councils, residents and State agencies to work together on long-term plans. The Community Strategic Plan is supported by a Resourcing Strategy that includes Long-Term Financial Planning, Asset Management Planning and Workforce Management Planning. The framework is set out in the following diagram:



### **3.1 OVERVIEW OF STRATEGIC PLANNING**

Tamworth Regional Council elected to be a Group 3 council for the purposes of implementing the Integrated Planning and Reporting framework, which required it to meet the deadline for the adoption of all the required plans by 30 June 2012. Although the Council had prepared a final draft suite of these plans for final discussion, these were not due for adoption until after this review, and were therefore not evaluated as part of this review. The suite of plans will be assessed as a separate exercise by the Division, and feedback will be provided directly to the Council.



## **PART III. DELIVERING AND ACHIEVING**

This part of the review focussed on examining key structures, systems, processes and programs which will enable the Council to deliver the stated outcomes of the Community Strategic Plan into the future. The reviewer considered the means by which the Council:

- governs its day to day operations
- undertakes its planning and regulatory obligations
- manages its assets and finances
- involves the community
- recruits and retains its workforce.

### **4 GOVERNANCE**

#### **4.1 SCOPE**

“Corporate governance refers to all the means by which entities are directed and controlled.” (Standards Australia, HB401-2004:12). Corporate governance is important because it:

- enhances organisational performance
- manages and minimises risks
- increases the confidence of the community and the local government sector in the organisation
- ensures that an organisation is meeting its legal and ethical obligations
- assists in the prevention and detection of dishonest or unethical behaviour.

#### **4.2 OVERVIEW OF THE COUNCIL’S GOVERNANCE FRAMEWORK**

The reviewer found that the Council has a sound governance framework, with most systems and processes being of the required standard to guide the Council’s operations and meet its legislative obligations.

Consistent and proper meeting practices contribute to good public decision-making and increase the Councils’ transparency and accountability to its communities. The

decision-making processes of both the elected body and the executive management team appeared mature and constructive. The Council meeting attended by the reviewer was well chaired and proceeded in an orderly manner to reach decisions relating to the items in the business paper. At this meeting there were a significant number of residents present, a number of whom made representations, and others who were present to observe the Council's response to a matter of community concern. A screen in the Council chamber assisted the public gallery to follow the process of the meeting, including the Council's resolutions. Councillors and senior staff acted in accordance with standards set out in the Council's Code of Meeting Practice and its Code of Conduct.

The Mayor controlled the busy meeting well and communicated well with the General Manager during times where clarification was required during the debate.

The Council has developed most of the necessary policies, procedures, practices and systems essential to a sound governance framework. This contributes to enhancing its organisational performance as well as minimising and managing risks.

In general, it appears that officers are generally aware of their legal and ethical obligations and act accordingly. In carrying out its business, the Council has formed strategic alliances with the Namoi Regional Organisation of Councils, and the EVOCities campaign.

An overall assessment of how the Council is performing in relation to a range of key governance areas is presented in Table 1 below. Examples of better or noteworthy practice and areas requiring improvement are discussed later in this section.

**Table 1: Assessment of the Council's key governance framework**

Area	Performance Ranking
Ethics and values	Performing well
Code of Conduct	Performing well
Gifts and benefits	Performing well
Communications devices	Performing well
Disclosure pecuniary interests	Performing well
Business ethics	Performing well
Risk management	Satisfactory

Internal audit	Performing well
Fraud and corruption control	Requires action
Business continuity	Satisfactory
Legislative and regulatory compliance	Requires action
Legal services	Performing well
Procurement, disposal and tendering	Requires action
Privacy management	Performing well
Records management	Satisfactory
Public Officer	Performing well
Access to information by the public	Satisfactory
Policy register	Performing well
Executive Management meetings/communication	Performing well
Delegations	Satisfactory
Council meetings	Performing well
Council committees (s355 and others)	Performing well
Councillor induction and ongoing training	Performing well
Expenses and facilities policy	Performing well
Councillor staff interaction	Performing well
Access to information by councillors	Performing well
Campaign donations	Performing well
Complaints handling	Requires action
Protected disclosures and internal reporting	Performing well
Awards	Performing well
Strategic alliances	Performing well
Information technology	Performing well

## SIGNIFICANT OBSERVATIONS

### ***Better practices***

No examples of Better Practice were recorded.

### ***Noteworthy practice***

#### *Policy Register*

The Council's policy register is well-structured and there is evidence of regular review. A template and guide on how to update a policy or procedure is available on the intranet for use by all staff. Policies across a range of operational areas were

examined. Most were found to be well-presented with headings, authorisation, identification data and review history consistent with the policy and template.

### ***Areas in need of further development***

#### ***Fraud and corruption prevention***

Fraud is a specific risk that requires action by councils across all areas of their operations to give assurance as to the security of systems within the organisation. It is important that that fraud risks are identified and managed effectively and that processes are in place to ensure that fraud is effectively monitored. The Council does not appear to have undertaken any fraud risk assessment and does not have a fraud control or corruption-prevention strategy in place. The Australian Auditing Standard 240 requires all external auditors to obtain a written representation from management that the organisation has systems to deal with fraud risks, so the Council should address this issue.

#### ***Recommendation 1***

*That the Council develop a fraud and corruption prevention policy/strategy, and complete a related systematic risk assessment as part of the internal audit process.*

#### ***Recommendation 2***

*That the Council prioritise a systematic fraud assessment to satisfy compliance in this area.*

#### ***Legislative and Regulatory Compliance***

The Council has not fully developed an effective system to identify all legislation that applies to the Council's activities or ongoing legislative programs within each of the operational areas. The Council should prioritise the development and implementation of a suitable system. The Council should also ensure that specialist staff are resourced and monitor legislative change. It should establish a system for internal reporting of legislative or regulatory non-compliance and fines/penalties/prosecutions against the Council.

### **Recommendation 3**

*That the Council develop a Legislative and Regulatory Compliance Register to ensure that all legislative and regulatory obligations are captured and monitored.*

#### **Procurement procedure and Disposal of assets**

Councils should regularly review and analyse potential risk exposure within their procurement and asset disposal practices to minimise the potential financial loss through non-compliance. The Council has prepared a procurement policy and procedure. However, these do not currently include the key features of an asset disposal policy, nor provide for the monitoring of contractor performance. The Council has advised that it is currently undertaking a general update on its procurement policies and this will be addressed as part of that review.

### **Recommendation 4**

*That the Council undertake a bi-annual independent risk assessment of its procurement and disposal practices.*

#### **Complaints handling**

An effective complaints handling system is an essential part of the provision of quality council services. It is one method of measuring customer satisfaction, and it can provide a useful source of information and feedback for improving the Council's services. The NSW Ombudsman and the former Department of Local Government produced a draft publication: *Complaints Management in Councils*. This resource has been prepared to assist councils in the management and handling of complaints, and specifically to implement effective complaints management systems.

The Council has good processes in place for customer service through strategies which include regular client surveys. However, the policy on Complaints Handling has been identified to be in need of review and updating. Customer Service staff have recently been trained in Complaints Handling, with further training for other staff to occur following the proposed update of the policy.

The Council has advised that it currently forwards both complaints and requests for services data as a combined package within its Customer Records Management System (CRMS). This has the potential to blur the distinction between these two categories and could adversely impact on the importance of customer complaints to the organisation. These issues will be considered during the proposed policy review and update.

#### **Recommendation 5**

*That the Council review and update its complaint handling policy.*

#### **Recommendation 6**

*That the Council undertake regular complaints handling training for all staff.*

### **The Council response**

The Council acknowledges that a Fraud and Corruption Prevention Policy needs to be developed and will formulate a policy including appropriate risk assessments within the next 6 to 12 months. A systematic fraud assessment will be undertaken in conjunction with the Fraud and Corruption Prevention Policy to ensure consistency.

The Council is currently investigating legislation and Regulatory Compliance Systems that identify legislation for which Council has compliance responsibility, assigns responsibility for ensuring compliance with each Act, and provides a process for reporting on legislative compliance.

The bi-annual independent risk assessment of the Council's procurement and disposal practices has been referred to the Audit and Risk Committee for consideration when undertaking future internal audits. An internal audit of procurement and disposals is listed on the Internal Audit Plan and the Committee will schedule an audit when appropriate. The Council has initiated a Procurement Working Group to review and evaluate current policies and procedures.

The Council will undertake a review of the Complaints Handling Policy and will consider the draft publication "Complaint Management in Councils" when reviewing the Policy. Once complete, all staff will be trained in the Policy which will be

undertaken in conjunction with Code of Conduct and Public Interest Disclosures training.

## **5 LAND-USE PLANNING AND REGULATORY FUNCTIONS**

### **5.1 SCOPE**

The Council exercises regulatory functions in relation to a range of activities within its area. The efficiency and probity of the Council's regulatory functions is important for effectively managing the Council's responsibilities and for preserving public trust in the Council and its staff. Regulation is important to achieve a wide range of social, economic and environmental goals.

### **5.2 OVERVIEW OF LAND-USE PLANNING AND REGULATORY PRACTICES**

The Council has many effective planning and regulatory systems, processes and practices in place.

The Planning and Environment Directorate has ten staff working in the areas of land-use planning and development assessment.

Key elements which guide the Council's decisions around land-use planning in the local government area include the:

- Tamworth Regional Development Strategy
- Taminda (Industrial area) Revitalisation and Economic Strategy
- Tamworth Regional Affordable Housing Strategy
- Tamworth Local Environmental Plan 2010
- Tamworth Regional Development Control Plan 2010.

#### Development assessment

The NSW Department of Planning's *2010/2011 Local government performance monitoring report* shows that 518 development applications (DAs), with a total value of \$99.3 million, were approved in that financial year. In addition, 364 complying development certificates (CDCs), with a value of \$34.9 million, were processed. CDCs represented 41% of the total applications received. During 2010/11, 98.6% of the DAs were determined under staff delegation, which was an increase from 97.6% during the previous financial year. The use of delegations to planning staff within specific criteria can improve the time taken for determination of applications, and



utilises the skill base of planning specialists in exercising final responsibility for these determinations.

The Council's DA turnaround times are also consistent with the Division's Code 4 council average figures. The report also indicates that the 'Code 4 Averages' mean gross time for determining DAs was 62 days and the net time average was 37 days. The Council's average is slightly less at 60 days (gross time) and 31 days (net time).

Table 2, below, assesses the Council's performance in relation to the key planning and regulatory areas.

**Table 2: Assessment of the Council's planning and regulatory functions**

Area	Performance Ranking
Strategic land-use instruments	Performing well
Local approvals policy	Satisfactory
Development Applications process	Requires Action
Contribution plans and planning agreements	Satisfactory
BASIX	Satisfactory
State of the Environment reporting	Satisfactory
Graffiti	Satisfactory
Enforcement	Requires Action
Environmental management	Satisfactory
Companion animals	Satisfactory
Water safety (swimming pools)	Requires Action

### 5.3 SIGNIFICANT OBSERVATIONS

#### ***Better practices***

#### *Tamworth Regional Development Control Plan (DCP) 2010*

This DCP contains the key criteria for specific types of development that commonly occur in the Tamworth Regional Local Government Area and for specific locations within the region.

The primary aim of the DCP is to define “deemed to satisfy” standards which will streamline the approval process where these are achieved. There is still the obligation to assess each development application in accordance with the requirements of the Environmental Planning and Assessment legislation. The Council proposes that, with clear design criteria and allowing for certification by proponents, a determination timeframe of 28 days can be achieved for advertised or notified applications, and 21 days for applications that are not advertised or notified for certain types of “fast-track” development.

Applications for other types of development will continue to be assessed on merit, applying best practice planning standards.

The Council’s Fast Track Certification (applicable to each proposed development type) must identify how the proposal complies with the “deemed to satisfy” controls. This must be completed and submitted in addition to the minimum documentation specified by Schedule 1 of the Environmental Planning and Assessment Regulation 2000 and the Council’s Documentation Matrix. The individual checklists include an overall *Guide for fast tracking* and a series of checklists, which cover the areas of:

- General Housing and Ancillary Structures
- Residential (Dual Occupancy)
- Residential (Multi-Dwelling)
- Industrial.

#### *Taminda (industrial area) Revitalisation and Economic Strategy*

The *Taminda Revitalisation and Economic Development Strategy* was initiated to revitalise the Region’s long-established industrial area and provide new opportunities for economic growth and employment generation. It involved the rezoning and release of approximately 24 hectares of additional industrial land and 12 hectares for business development, to address the previous shortage of industrial land in Tamworth and improve access, amenity and facilities for all users. The Council has planned a staged capital works program of road network improvements, directional signage, upgraded street lighting and landscaping.

The implementation of the Strategy includes overseeing the implementation program by a Working Group. The Working Group is an important resource, facilitating communication and enabling positive interaction between the Council and the Taminda community. The membership includes local business people and Council representatives, who meet regularly and provide feedback and input with regard to key initiatives, including preparation of a capital works program, a Traffic Management Strategy and a Marketing and Promotional Plan.

### ***Noteworthy practices***

#### *Tamworth Regional Affordable Housing Strategy*

This 2011 Strategy was prepared in response to increasing interest from government agencies toward affordable housing initiatives for the Tamworth Regional Local Government Area. It was designed to build on existing relationships and activities between government agencies and local stakeholders, while investigating new initiatives and approaches to better target existing resources and inform new partnerships for future housing development. Funding will continue to be identified from State and Commonwealth Governments to pursue infrastructure works to support affordable housing initiatives

A series of workshops with key agency stakeholders and community participants was conducted in October 2010 to identify opportunities and constraints within the current local housing market. The *Affordable Housing Scoping Paper 2010* was prepared and distributed at the workshops, providing an overview of the affordable and social housing issues occurring within the region, identification of relevant target groups, and opportunities to increase the supply of affordable housing.

A consultation paper was later developed outlining the consultation findings, key issues and future opportunities. The consultation process has captured a large amount of information that has defined many of the actions listed within the Strategy.

The Council will oversee the implementation and monitoring of the Strategy's Action Plan which will be reviewed on an annual basis to ensure all actions are being undertaken within the required timeframes, and to measure the effectiveness in addressing local housing needs. The Strategy will link closely with the Council's other

planning responsibilities and processes, in particular the Council's *Social Plan 2006* and the Community Strategic Plan.

### ***Areas in need of further development***

#### **Development Assessment**

The Council has a large number of separate policies and procedures relating to the development assessment role to assist staff in their duties. A more suitable option would be to review all existing documents for content and currency, and develop a comprehensive Development Assessment Manual with up-to-date information for the use of planning staff. This has the benefit of a single point of reference for new staff, and to ensure that all actions within the unit are compliant with the Council's approved policies and procedures

#### **Recommendation 7**

*That the Council develop a comprehensive Development Assessment Manual.*

#### **ICAC development assessment internal audit tool**

The Independent Commission Against Corruption has produced a comprehensive self-audit schedule to allow councils to evaluate the performance of their planning functions. The internal audit tool is an invaluable aid for reviewing governance within the Council's planning roles, and allows an independent assessment of these activities. The Council has not yet undertaken an assessment using this tool and would benefit from benchmarking its performance against these objective criteria.

#### **Recommendation 8**

*That the Council utilise the ICAC development assessment internal audit tool as a benchmark to assess the performance of development assessment.*

#### **Contribution Plans and Planning Agreements**

Section 94 of the *Environmental Planning and Assessment Act 1979* is a legislative mechanism permitting a council to recover costs associated with the local community resulting from the projected increased demand from that development. Other

contributions can be imposed on developers such as planning agreements under that legislation.

### **Recommendation 9**

*That the Council consider the most appropriate options for Contributions Plans and Planning Agreements as an effective input into supporting its longer-term financial responsibilities for newly acquired assets.*

### **Graffiti Register**

The Council has documented incidents of graffiti within its area, however this has not yet been formalised into a Graffiti Register to record key information and photographic evidence. The Council has confirmed that it is its intention to prepare a Graffiti Register to record existing records and ongoing incidents.

### **Recommendation 10**

*That the Council consolidate existing data on graffiti incidents into a Graffiti Register.*

### **Enforcement and Prosecution Policy**

In recent years there has been a significant increase in the regulatory and enforcement responsibilities of all councils. A combination of greater community expectations, changes to legislation and improved enforcement tools, as well as the need to ensure transparent and consistent decisions, have made for a challenging regulatory landscape. In the exercise of their functions under the Local Government Act and associated legislation, councils are required to ensure compliance which may involve the need for enforcement. Councils must properly deal with allegations concerning unlawful and/or non-compliant activity. This may include activities that are prohibited or unauthorised, or which are not included in the conditions of consent, a licence or approval issued by a lawful authority. The NSW Ombudsman's *Enforcement Guidelines for Councils* is a useful resource that contains a model enforcement policy.

The Council needs to develop an enterprise-wide enforcement and prosecution policy and procedure to ensure compliance within all Regulatory functions. The policy

should document the Council's approach to dealing with allegations about unlawful and regulated activities, including the regulation of development activity, pollution control, parking regulation, natural resource management, environmental health and companion animals. The policy should also clearly outline complaint handling, assessment of any violations, investigation processes and reporting of outcomes.

**Recommendation 11**

*That the Council prepare an enterprise-wide Enforcement and Prosecution policy.*

**Regional Parking Policy**

The Council's website describes in general terms the role of its Local Traffic Committee. The Committee meets monthly in an advisory capacity to oversee parking within the Tamworth City central business district, where there are approximately 4000 car parking spaces, and elsewhere within the local government area. The website content includes Enforcement of Parking Restrictions Policy, Paid and Free Parking Spaces, Disabled Parking, Parking Infringements and a central business district Parking Map.

Since 2002, NSW councils have been charged with the responsibility of enforcing parking legislation, such as the NSW Road Rules, in their local areas. While public safety is a primary concern, managing traffic flow and providing equitable access to available parking in high-demand areas are major issues for local government. The Council should therefore consider the need for a more comprehensive Regional Parking Policy as a framework for planning and administering these responsibilities.

**Recommendation 12**

*That the Council develop a comprehensive Parking Policy that encompasses public safety, traffic flow and equitable access to parking across the Tamworth region.*

**Water safety (swimming pools)**

Under the *Swimming Pools Act 1992*, councils have a responsibility to take such steps as are appropriate to ensure they are notified of the existence of all swimming pools within their area. This Act also requires councils to promote awareness within

their area of the requirements of the Act in relation to swimming pools and water safety.

The Council currently has no procedure in place for the investigation of complaints concerning breaches of the Swimming Pools Act. In addition, the Council is yet to act under the Division's *Practice Note 15- Water Safety – updated 2012*.

**Recommendation 13**

*That the Council develop a compliance program to ensure that all domestic swimming pools are compliant with the Swimming Pools Act 1992.*

**Recommendation 14**

*That the Council develop a procedure for the investigation of complaints about breaches of the Swimming Pools Act 1992.*

***The Council response***

The Council will develop a Development Assessment Policy with associated procedures and this item is currently listed in the Development Process Improvement Plan.

Planning and Community Services will undertake an investigation into the merits of the ICAC Development Assessment Internal Audit Tool, and make a determination on the use of the Tool after this investigation has being completed.

The Development Contribution Plans will be reviewed in line with the Council's budget for contribution towards new assets. The Council will regularly update asset management plans when newly-acquired assets are gifted.

The Council will conduct a service review on graffiti management with one outcome being to establish a single Graffiti Register.

The Council will prepare an Enforcement and Prosecution Policy.

A Parking Policy will be developed to inform the community how the Council will administer and enforce vehicle parking provisions within the city and surrounds, ensuring safety, order, fairness and equity.

The Council will develop a compliance program for swimming pools.

The Council will develop a procedure for investigating breaches of the Swimming Pools Act.



## **6 FINANCIAL AND ASSET MANAGEMENT**

### **6.1 SCOPE**

Under its charter, the Council has a responsibility to raise funds for the purposes of carrying out its functions. This can be achieved by the fair imposition of rates, charges and fees, borrowings and grants. The Council is also the custodian and trustee of public assets, and must effectively account for and manage these assets.

### **6.2 OVERVIEW OF THE COUNCIL'S FINANCIAL AND ASSET MANAGEMENT**

Councils in NSW are required to provide services, facilities and infrastructure through the effective and efficient use of resources. The management of both physical assets and financial resources has a major impact on the operational performance of councils and is currently the subject of an external review on behalf of the Division.

#### Asset management

Asset management is a systematic process to guide the planning, acquisition, operation and maintenance, renewal and disposal of assets. Its objective is to maximise asset service delivery potential, and manage related risks and costs over the life of the asset. It involves effective coordination of the Council's financial and engineering resources. At the time of review, the Council had not finalised its asset management plans as part of its implementation of the Integrated Planning and Reporting framework. These will be reviewed separately by the Division.

For the infrastructure renewal ratio (IRR) in the past two years the Council has only achieved 22% and 61% respectively. With improved operating results from increased future income, the Council should aim to achieve an average IRR towards 100% over a five-year period, to ensure that its assets are being renewed at the rate at which they are deteriorating.

The Council has indicated in its 2010/2011 Annual Report that it estimates \$107.0 million is required to bring the Council's assets to a satisfactory standard, with water assets requiring \$43.7 million, sewer \$14.4 million, roads \$41.8 million, public buildings \$2.0 million and drainage 5.0 million. The Council also estimates that its annual maintenance expense is \$3.4 million, of which programmed maintenance is

\$2.9 million. Its action on achieving approval for a special rates variation and including this as an alternate scenario in the long-term financial plan and operating plan places it well in addressing these shortfalls.

### Overview of financial position

In relation to its General Account, Tamworth Regional Council's income statement for 2011/12 shows a surplus result from continuing operations after capital grants and contributions of \$5.864 million (compared to the budget projection of \$1.929 million), which is a significant decrease from \$14.023 million in 2010/11. The result before capital items was a deficit of (\$4.267 million) compared to the projected budget deficit of (\$4.110 million), and a surplus of \$3.715 million in 2010/11. It should be noted, however, that the previous year's surplus in the consolidated accounts was masked by business profits from the water supply and sewerage treatment works, the airport, waste management, and Manella Lodge operations, totalling \$10.305 million. This factor, without which the General fund would have recorded an operating deficit of (\$6.590 million), was the basis for the Council's application to the Independent Pricing and Regulatory Tribunal (IPART) for a special rate variation of 20.6 per cent for 2012/13. This decrease in operating monies has continued in the intervening period to 30 June 2012.

### Special Rates Variation

IPART announced on 4 June 2012 approval for the Council to increase its general rate income by 14.6% in 2012/13 to provide funding for an identified shortfall in the annual maintenance of the Council's infrastructure assets. This includes renewal and ongoing maintenance of assets such as buildings, roads, bridges, parks and facilities (swimming pools). The approved increase includes the 3.6% rate cap available to all NSW councils and an additional 11% ordinary rate increase. The Council had applied for a total increase of 20.6% (17% above the rate cap).

### Liquidity and cash position

The Council had \$108.57 million in cash assets and investment securities as at 30 June 2012. Of this, \$22.179 million was internally restricted. Internal restrictions included, in part, \$10.193 million for plant and vehicle replacement, \$4.682 million for

roadworks (Federal Assistance Grants roads component), \$4.363 million for Roads and Maritime Services user charges, and \$3.432 million for the airport.

The Council's performance ratios are set out below and are considered to be satisfactory and generally within the Division's guidelines. The majority show some decrease over the previous year's operations through financial strategies applied by the Council in its role as financial manager. The major reduction is recorded in the Building and Infrastructure Renewal Ratio from 60.52% to 21.48%. The external auditor notes the potential variance through the dependence on the level of renewal works and major works. The figure of 100% cannot be achieved unless the fund is operating in surplus before income for new capital works.

Overall, the Council's financial indicators are considered to be satisfactory as shown in Table 3, below:

*Table 3 Liquidity and Cash Position*

LIQUIDITY AND CASH POSITION	2011/12	2010/11	2009/10
Unrestricted Current Ratio	2.84	4.55	4.17
Debt Service Ratio (%)	10.41%	11.87	9.30
Rates and Annual Charges, Interest and Extra Charges Outstanding	7.03%	7.43%	6.29%
Infrastructure Renewal Ratio	21.48	60.5%	212.8%
Employee Leave Entitlements	18%	17%	16%

*Table 4 Operating Results and Trends*

OPERATING RESULTS AND TRENDS \$,000	2011/12	2010/11	2009/10
Operating results before Capital Grants	(4,267)	3,715	2,645
Operating results after Continuing Operations	5,864	14,023	22,220
Budget versus Actual (difference)	(157)	(1,932)	12,676

Given its successful submission to IPART for a special rates variation, the Council is now in a strong position to address its current financial performance towards improved financial sustainability and a long-term surplus in the General fund.

Financial and Asset management summary

The Council's performance in relation to key asset and financial management areas is summarised in Table 5 below:

**Table 5: Assessment of the Council's asset and financial management practices**

Area	Performance Ranking
Asset management - overall	Satisfactory
Plant and vehicle replacement policy	Requires Action
Land assets	Satisfactory
Financial management	Satisfactory
Loans and borrowing	Requires Action
Pensioner rates and charges	Requires Action
Council businesses	Satisfactory
Council involvement in companies, partnerships, corporations, co-operatives, joint ventures	Satisfactory
Insurances	Satisfactory

### 6.3 SIGNIFICANT OBSERVATIONS

#### ***Better practices***

The reviewer did not identify any financial and asset management practices beyond or above minimum compliance requirements and good practice indicators.

#### ***Noteworthy practices***

The reviewer did not identify any noteworthy financial and asset management practices.

#### ***Areas in need of further development***

#### *Plant and Vehicle Replacement Policy*

The Council has not yet formalised a policy to control and maintain its extensive range of plant and vehicles. This is a high level of investment and requires close monitoring and planning. The Council's Plant and Vehicle Replacement Policy and

Procedures should be designed in accordance with the *Code of Practice NSW Government Procurement (2005)*, the Local Government (General) Regulation 2005 and ICAC guidelines *Take the con out of contracting*.

It is essential that the policy clearly articulates the following:

- Plant and vehicle strategies are driven by defined service levels and performance standards.
- Investment in plant and equipment is optimised through the allocation and management of appropriate and adequate financial resources.
- The life-costing model properly considers the phases with the life of an asset to ensure that the plant and replacement of the equipment is objectively assessed prior to replacement.

### **Recommendation 15**

*That the Council establish a Plant and Vehicle Replacement Policy to provide a framework for councillors, management and staff.*

### **Borrowing and use of loans**

The Council does not have a formal policy on borrowing and the use of loans for circumstances where opportunities may provide for options to undertake works at a rate that is of benefit to the Council.

### **Recommendation 16**

*That the Council develop a policy on borrowing and the use of loans.*

### **Pensioner Rates and Charges Policy**

Under section 528 of the Local Government Act, pensioners are entitled to a 55% reduction in their rate payments upon proof of a current pension. The Council undertakes regular checks with the assistance of Centrelink, which provides exception reports on any changes in these eligibility criteria. However, there is no formal policy and procedure in place to guide the Council in relation to pensioner rates. The Council should consider preparing a policy and procedure for the

treatment of pensioner rates and charges, and formally include this in an ongoing internal audit process.

**Recommendation 17**

*That the Council prepare a Pensioner Rates and Charges Policy which incorporates compliance with eligibility criteria.*

**Recommendation 18**

*That the Council includes a periodic review of eligibility of rates reduction for pensioners in the internal audit program.*

***The Council response***

The Plant and Vehicle Replacement Policy is currently being developed to ensure all plant and vehicle replacements are legal, ethical and to the Council's best advantage (open and effective competition, value for money, ethical behaviour and fair trading).

The Council has developed a Borrowings Policy that has been approved by the Audit and Risk Committee and implemented by Financial Services.

A Policy on Pensioner Rates and Charges that will incorporate compliance with eligibility criteria will be developed. The Council has referred the periodic review of eligibility of rates reduction for pensioners to the Audit and Risk Committee for consideration when undertaking future internal audits.

## **7 COMMUNITY AND CONSULTATION**

### **7.1 SCOPE**

A council's charter requires that a council:

- provides services after due consultation
- engage its stakeholders in the development, improvement and coordination of local government (for example, councillors, members of the public, users of facilities and services and council staff)
- actively promotes the principles of multiculturalism
- plans, promotes and provides for the needs of children
- keeps the local community and the State government informed about its activities.

### **7.2 OVERVIEW OF COMMUNITY AND CONSULTATION PRACTICES**

The reviewer found that there is a strong culture of community consultation within the Council. The Council has provided strong regional leadership for programs and key initiatives that are listed later in this report. Effective community consultation appears to have underpinned the development of the draft Community Strategic Plan, with specific social justice groups targeted for consultation during this process.

The Council has a Community Engagement Strategy which articulates how the Council intended to engage the community for the development of the Community Strategic Plan. This document forms a sound basis for a Community Engagement Strategy for the Council to utilise into the future for the ongoing review and further development of the Community Strategic Plan.

Noteworthy examples and areas in need of further development are highlighted and are discussed in more detail later.

Table 6 provides a summary assessment of the Council's performance in relation to the key areas.

**Table 6: Assessment of the Council’s community and consultation framework**

Area	Performance Ranking
Social and community planning	Satisfactory
Planning for an ageing population	Satisfactory
Community participation	Satisfactory
Communication policy	Satisfactory
Annual Report	Satisfactory
Cultural planning	Satisfactory
Ethnic affairs	Satisfactory
Tourism	Satisfactory
Economic development	Requires action

### 7.3 SIGNIFICANT OBSERVATIONS

#### ***Better practices***

The reviewer did not identify any Better Practice community and consultation practices.

#### ***Noteworthy practices***

##### *Central Northern Library Service - remote access*

The Central Northern Library Service is a regional service, with Tamworth Regional Council as the executive Council. The Central Northern Library Service provides library services to the residents in the local government areas of Tamworth, Narrabri, Liverpool Plains, Uralla and Walcha. Tamworth Regional Council has local libraries at Barraba, Kootingal, Manilla, Nundle and South Tamworth.

One of the achievements of the Central Northern Library Service is the provision of a computerised booking service, which has been rolled out to remote library sites to greatly improve public access for people who have been disadvantaged through long distances from library facilities. The site has access to a catalogue and a large number of diverse databases to allow immediate contact with the information source.



### Hosting a Community Relations Commission visit

The Council sponsored the 2011 annual visit by the Community Relations Commission to a Regional city, which included hosting a civic reception and preparing an extensive itinerary to visit key industries where people from diverse backgrounds are employed. The visit allowed for Commission members and support staff to meet with senior staff from the Council, and provided an excellent media opportunity to promote Council/community relations initiatives.

### **Areas in need of further development**

#### Economic Development

The Council has plans for a new direction on economic development, and at the time of the review was awaiting the appointment of a Manager to this important role to oversee the future direction of this key area. The entrepreneurial approach to development of these future works, together with the supporting business plan strategies, provides some confidence in achieving greater asset development within the Tamworth environment. The business model used in the Australian Equine and Livestock Events Centre is intended to be rolled out to other commercial ventures within the Directorate to improve the prospects of success for future project initiatives.

#### **Recommendation 19**

*That the Council prepare an Economic Development Plan as an employment and development blueprint for expansion of the Regional economy, following the imminent appointment to the Manager's position.*

#### **The Council response**

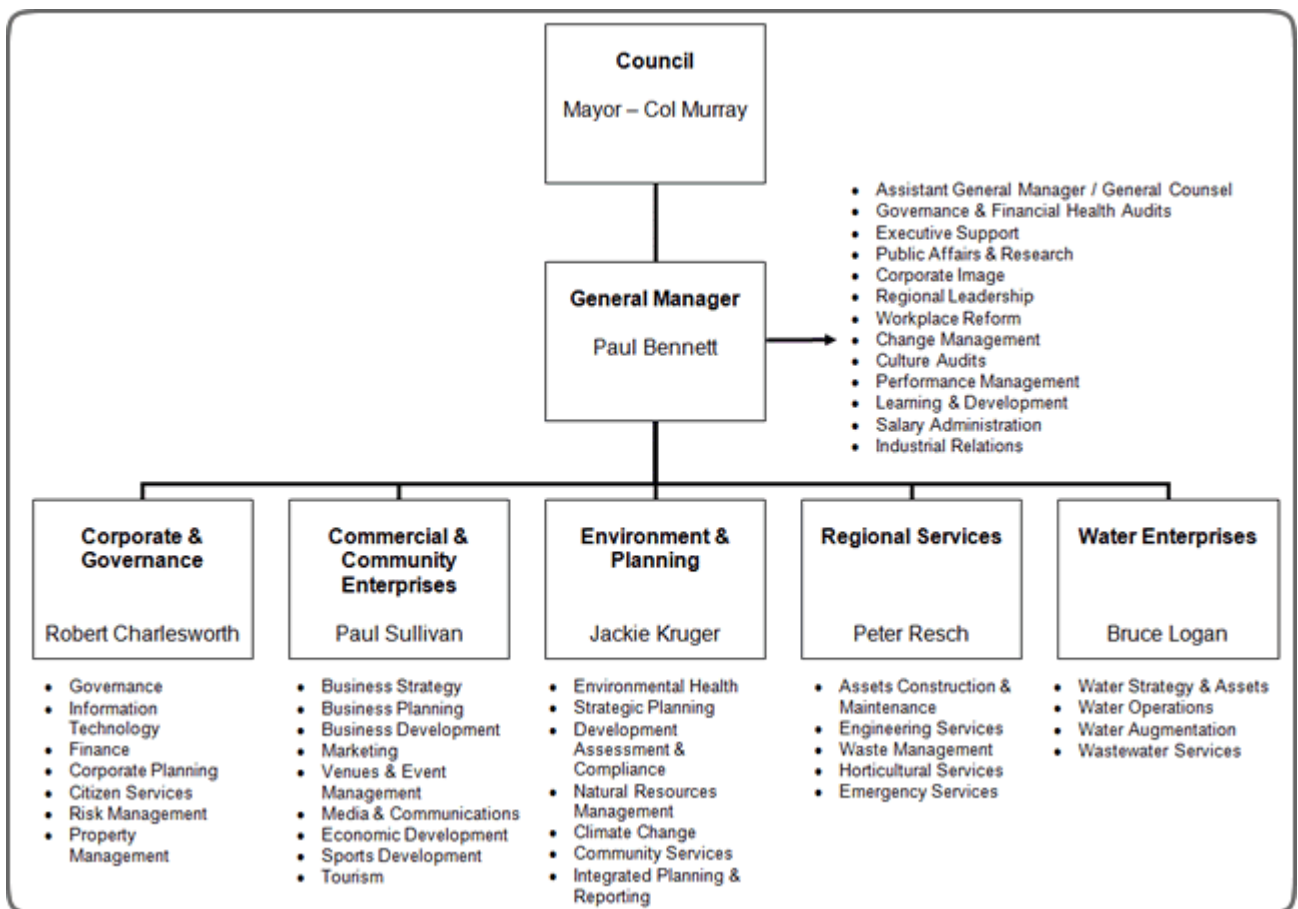
An Economic Development Plan will be developed, however the Plan will be placed on hold until the new Director Business and Economic Development has commenced and has the opportunity to review the strategic priorities of the Directorate.

## 8 WORKFORCE RELATIONS

### 8.1 SCOPE

Councils have a number of legislative responsibilities in relation to their role as an employer. The Council is required to conduct itself as a responsible employer and the organisational structure below illustrates the division of responsibilities across the Council.

### 8.2 OVERVIEW OF THE ORGANISATION

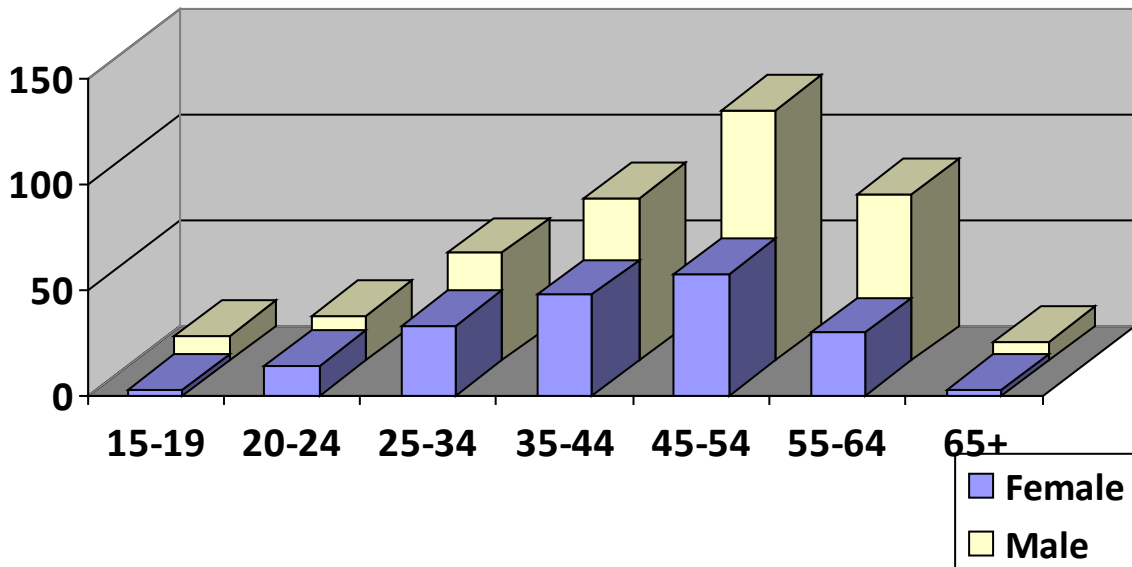


*Tamworth Regional Council* has five directorates:

- Corporate and Governance
- Environment and Planning
- Commercial and Community Enterprises
- Regional Services
- Water Enterprises.

The functions of Governance, Human Resources, Industrial Relations and Executive Support are the direct responsibility of the General Manager.

At 30 June 2011, the Council employed 506 full-time equivalent staff, with employee salary costs totalling \$32.2 million. The Council has 121 staff members (or 21.7%) aged over 55 years, with a number of staff having more than 20 years service.



## OVERVIEW OF WORKFORCE RELATIONS

Overall, the Council appears to have a positive organisational culture with a motivated workforce. The majority of staff interviewed reported that they enjoyed working for the Council. Staff across the organisation appear to be committed to delivering quality customer service, which is driven by the General Manager and Directors.

The Workforce Management Strategy was in draft form at the time of the review and was not included in an assessment, pending its proposed implementation on 1 July 2012.

**Table 7: Assessment of the Council’s workforce relations functions**

Area	Performance Ranking
Workforce Management Strategy	Not implemented at time of review
Workforce planning	Performing well
Employee surveys	Performing well
Employment contracts	Performing well
Consultative Committee	Performing well
Recruitment and selection	Performing well
Job descriptions and evaluation	Performing well
Employee remuneration	Performing well
Enterprise bargaining	Performing well
Equal Employment Opportunity	Performing well
Staff induction	Performing well
Overtime and sick leave	Requires Action
Grievance management	Performing well
Work Health and Safety	Performing well
Secondary employment	Performing well
Exit of staff	Performing well

### 8.3 SIGNIFICANT OBSERVATIONS

#### ***Better practices***

##### Awards

Tamworth Regional Council was named the winner of the Local Government Association section of the A R Bluett Memorial Award in October 2009, which acknowledged the Council as having shown the greatest relative progress over 2008/2009 of any local government bodies within NSW. The former Tamworth City Council had won the prestigious title in 1982 prior to the current Council renominating in 2009.

Award trustees identified that the most outstanding achievements included some major infrastructure works and civic construction projects and numerous program activities.

It was also noted that the Council had been impressive in planning and implementing the local government amalgamation, and had met the challenge in an impressive way by introducing ongoing community consultation with the wider community. It reported that underpinning the Council's success was a very strong executive and management leadership team, with an excellent ethic towards corporate governance and administrative efficiency.

### ***Noteworthy practices***

#### *Vision and Values*

The Council last undertook an employee survey in December 2009, and has since followed-up with an online and paper-based community survey (VOICE) with a high response rate. The results of this survey, which allows the Council to benchmark its performance against other councils, will be collated and analysed later in the year and communicated widely to the community. A further outcome from these results has been the development and trial of a performance management system and a comprehensive review of all Position Descriptions.

#### *Addressing skill shortages*

The Council has initiated several key initiatives to address the ongoing skill shortages that are being experienced in rural NSW, and it is to be recognised for this innovative approach that will have long-term effects across the Region. The Council has developed a number of strategies to combat potential skill gaps which could prevent the organisation from meeting its service delivery requirements in the future. These include the following six initiatives:

##### (i) Engineer Rotation Program

The Engineer Rotation Program has been developed by the Council's Water Enterprises Directorate and targets graduate and/or relatively inexperienced engineers. The successful applicants are placed on a rotation program, and move through water engineer positions in each of the four divisions every 12 to 18 months. This allows each engineer to gain exposure and experience in each of the key areas and enables progression through the Directorate. This is also an initiative to provide

engineers with sufficient skills and experience to potentially fill management positions over the next four to five years.

(ii) Traineeships and Apprenticeships

Tamworth Regional Council has about 30 new entrant trainees/apprentices and a similar number of existing trainees. New entrant positions are for new recruits to the Council, or employees with less than three month's full-time or the part-time equivalent service. These positions are across a number of trades, technical and administrative areas. These employees are required to attend the local TAFE or other registered training organisation via distance education to complete structured assessments. Obtaining these vocational qualifications provides career pathways for new recruits to the Council and/or allows staff to be recognised for their experience and years of knowledge working in a local government environment.

(iii) Student Engineer Vacation Program

Tamworth Regional Council has developed the Student Engineer Vacation Program to engage student engineers who are in their first or second year of university. The program, used by the Water Enterprises and Regional Services Directorates, gives students an opportunity to undertake paid work during their vacations across various areas of the Council, and guarantees two years of paid employment once they become qualified engineers provided all university subjects are satisfactorily completed. This program then leads into the Engineer Rotation Program, allowing participants to further extend their knowledge and experience. Participants must go through the Council's standard recruitment process, with a particular emphasis on engaging local students in order to retain a skills base in the region.

(iv) 'Communicate and Connect' Program

The Council has identified communication development needs for supervisors and mentors working with apprentices and trainees, and has provided support and guidance by developing and delivering a training program ('Communicate and Connect') to develop skills to enhance current working relationships between supervisors, mentors, trainees and apprentices. This training program has created a culture of engagement by empowering supervisors and mentors to make a difference

within their work teams. A total of 45 supervisors and mentors have participated in this training program along with 25 trainees and apprentices.

(v) Certificate IV in Workplace Assessment and Training

A number of staff have successfully completed this Certificate IV qualification to develop their skills in designing, delivering and communicating in-house training programs to a wide range of audiences. This qualification also improves public speaking ability, communication planning and time management skills. More than 40 staff have successfully completed this qualification.

(vi) 'Planning for the Long Haul' Program

The 'Planning for the Long Haul' Program is targeted at employees with specialist skills who are nearing retirement (envisaged to leave the Council within the next five years), and is built around the Unit of Competence: TAADEL3010C – *Provide Training Through Instruction and Demonstration of Work Skills*. The Council currently has about 200 employees who fall into the 'Baby Boomer' and 'Veteran' categories. This program provides an opportunity for the ageing workforce to continue learning while passing on their specialist skills to trainees and apprentices, and to the workforce in general, in a structured and effective manner. It is seen to be an effective strategy to combat knowledge-management issues that arise when exiting employees have years of service within the Council.

The Council reports that the success of this training program will enable the Council to promote this initiative with State Training Services and the New England Institute of TAFE, and assist with the marketing of this initiative to other organisations within the Vocational Education and Training sector, such as the Greater Northern Skills Development Group. It is now considering offering this training opportunity to other councils and organisations within the North West Region, and employees, trainees and apprentices.

## ***Areas in need of further development***

### **Monitoring overtime and sick leave**

It is noted that the total overtime paid during the previous financial year was \$1.96 million, and this represented 6% of the total salaries and wages for the Council. The reviewer was advised that this has been discussed by the Executive Management Team and that strategies have been put in place to monitor this more closely, and to ensure that prior approval to all overtime is required. While it recognises that there are many situations where overtime is an effective employment strategy, the Council has undertaken to review progress and demonstrate a gradual improvement in this current level of overtime expenditure and sick leave in the current financial year.

### ***The Council response***

The Council recognises that there were no formal recommendations in relation to Workforce relations. However, in response to the improvement mentioned on monitoring overtime and sick leave, the Council has implemented processes to ensure all Overtime/Time in Lieu has prior approval before it can be undertaken.



**PART IV. RISK RATING OF RECOMMENDATIONS**

The recommendations made in this report have been assessed for a priority ranking based on the following risk analysis.

		CONSEQUENCE		
		Significant <i>Significant risk to the operations of the council and if not addressed could cause public outrage, non-compliance with the council's statutory responsibilities, severe disruption to the council's operations and the council's ability to meet its goals.</i>	Moderate <i>Moderate risk to the operations of the council and if not addressed could cause adverse publicity, some disruption to the council's operations and the council's ability to meet its goals.</i>	Minor <i>Minimal risk to the operations of the council, little disruption to the council's operations and will not limit the council's ability to meet its goals.</i>
LIKELIHOOD	Almost certain	High	High	Medium
	Possible	Medium	Medium	Low
	Rare	Medium	Low	Low

Priorities for recommendations: <i>(based on application of risk analysis)</i>	Risk categories could include:
<ul style="list-style-type: none"> <li>• High</li> <li>• Medium</li> <li>• Low</li> </ul>	<ul style="list-style-type: none"> <li>• Reputation</li> <li>• Compliance with statutory requirements</li> <li>• Fraud/corruption</li> <li>• Financial</li> <li>• Legal liability</li> <li>• OH&amp;S</li> </ul>

## **PART V. ACTION PLAN**

The Action Plan is to be completed and adopted by the Council to guide the implementation and monitoring of the recommendations in this report. The reviewers have allocated notional priority rankings using the risk rating analysis in the previous section. The Council is encouraged to review and revise these, if necessary.

<b>RECOMMENDATION</b>	<b>PRIORITY</b>	<b>ACTION PROPOSED</b>	<b>TIME FRAME</b>	<b>RESPONSIBILITY</b>	<b>PROGRESS REPORT</b>
<b>1</b> The Council needs to develop a fraud and corruption prevention policy/strategy and complete a related risk assessment as part of its internal audit process.	<i>Medium</i>	Develop Fraud and Corruption Prevention Policy including an appropriate risk assessment.	31 December 2013	Corporate and Governance	Awaiting re-allocation of resources.
<b>2</b> The Council should prioritise a systematic fraud assessment to satisfy compliance in this area.	<i>Medium</i>	Item referred to the Audit and Risk Committee for consideration when undertaking future internal audits.	To be determined by Audit and Risk Committee	Corporate and Governance	Audit Committee to determine future audits
<b>3</b> The Council should develop a Legislative and Regulatory Compliance Register to ensure that all legislative and regulatory obligations are captured and monitored.	<i>Medium</i>	Currently investigating legislative and regulatory compliance system.	30 June 2013	Corporate and Governance	Awaiting re-allocation of resources.
<b>4</b> The Council should undertake a bi-annual independent risk assessment of its procurement and disposal practices.	<i>Medium</i>	Item referred to the Audit and Risk Committee for consideration when undertaking future internal audits.	To be determined by Audit and Risk Committee	Corporate and Governance	Audit Committee to determine future audits

<b>RECOMMENDATION</b>	<b>PRIORITY</b>	<b>ACTION PROPOSED</b>	<b>TIME FRAME</b>	<b>RESPONSIBILITY</b>	<b>PROGRESS REPORT</b>
<b>5</b> The Council should review and update its complaint handling policy.	<i>Medium</i>	Complaints Handling Policy to be developed.	30 June 2013	Corporate Governance and	Awaiting re-allocation of resources.
<b>6</b> The Council should undertake regular training of complaints handling for all staff.	<i>Medium</i>	Training to be undertaken after Policy has been developed.	30 December 2013	Corporate Governance and	Awaiting re-allocation of resources.
<b>7</b> The Council should develop a comprehensive Development Assessment Manual.	<i>Medium</i>	Development Assessment Policy to be developed.	1 May 2013	Planning Community Services and	Action item in the Development Process Improvement Plan
<b>8</b> The Council should utilise the ICAC development assessment internal audit tool as a benchmark to assess the performance of development assessment.	<i>Medium</i>	Investigation to be undertaken on the merits of the ICAC Tool.	30 June 2013	Planning Community Services and	Investigation to be undertaken.
<b>9</b> Following the current consultant's review, the Council should consider the most appropriate options for contributions plans and planning agreements as an effective input into supporting the Councils longer-term financial responsibilities for newly-acquired assets.	<i>Medium</i>	Review Development Contribution Plans and budget for Council's contribution towards new assets.	30 March 2013	Planning Community Services and	To be undertaken.
<b>10</b> The Council should consolidate existing data on graffiti incidents into a Graffiti Register.	<i>Low</i>	Register to be developed.	30 November 2013	Planning Community Services and	Awaiting re-allocation of resources.
<b>11</b> The Council should prepare an Enforcement and Prosecution policy.	<i>Medium</i>	Policy to be developed.	30 June 2013	Office of the General Manager	Awaiting re-allocation of resources.

<b>RECOMMENDATION</b>	<b>PRIORITY</b>	<b>ACTION PROPOSED</b>	<b>TIME FRAME</b>	<b>RESPONSIBILITY</b>	<b>PROGRESS REPORT</b>
<b>12</b> The Council should develop a Parking Policy that encompasses public safety, traffic flow and equitable access to parking across the Tamworth region.	<i>Low</i>	Develop Parking Policy that compasses public safety, traffic flow and equitable access to parking in the Tamworth Region.	31 December 2013	Regional Services	Awaiting re-allocation of resources.
<b>13</b> The Council should develop a compliance program to ensure that all domestic swimming pools are compliant with the Swimming Pools Act 1992.	<i>Medium</i>	Compliance program to be developed.	30 May 2013	Planning and Community Services	Awaiting re-allocation of resources.
<b>14</b> The Council should develop a procedure for the investigation of complaints about breaches of the Swimming Pools Act 1992.	<i>Low</i>	Procedure to be developed.	30 November 2013	Planning and Community Services	Awaiting re-allocation of resources.
<b>15</b> The Council should establish a Plant Replacement Policy.	<i>Low</i>	Policy to be developed.	30 June 2013	Regional Services	Awaiting re-allocation of resources.
<b>16</b> The Council should develop a policy on borrowing and the use of loans.	<i>Low</i>	Borrowings Policy has been developed.	30 September 2012	Corporate and Governance	Policy has been developed and implemented. No further action required.
<b>17</b> The Council should prepare a Pensioner Rates and Charges Policy which incorporates compliance with eligibility criteria.	<i>Low</i>	Policy to be developed.	31 December 2013	Corporate and Governance	Awaiting re-allocation of resources.
<b>18</b> The Council should include a periodic review of eligibility of rates reduction for pensioners in the internal audit program.	<i>Low</i>	Item referred to the Audit and Risk Committee for consideration when undertaking future internal audits.	To be determined by Audit and Risk Committee	Corporate and Governance	Audit Committee to determine future audits

<b>RECOMMENDATION</b>	<b>PRIORITY</b>	<b>ACTION PROPOSED</b>	<b>TIME FRAME</b>	<b>RESPONSIBILITY</b>	<b>PROGRESS REPORT</b>
<p><b>19</b> The Council should prepare an Economic Development Plan as an employment and development blueprint for expansion of the Regional economy, following the imminent appointment to the Manager’s position.</p>	<p><i>Medium</i></p>	<p>Economic Development Plan to be developed.</p>	<p>31 December 2013</p>	<p>Business and Economic Development</p>	<p>Awaiting appointment of new Business and Economic Development Director.</p>